

MINUTES OF THE APRIL 13, 2015, MEETING OF THE BOARD OF REGENTS

ATTENDANCE

This scheduled meeting of the Board of Regents of the Smithsonian Institution (“Smithsonian”) was held on Monday, April 13, 2015. The Board conducted morning, afternoon, and executive sessions in the Regents’ Room in the Smithsonian Castle in Washington, D.C. Board Chair John W. McCarter, Jr., called the meeting to order at 8:30 a.m. Also present were:

The Chief Justice ¹	Representative Tom Cole	Risa Lavizzo-Mourey
Barbara M. Barrett	Shirley Ann Jackson	Senator Patrick J. Leahy
Representative Xavier Becerra	Representative Sam Johnson	Michael M. Lynton
Steve Case	Robert P. Kogod	

Sakurako Fisher, Smithsonian National Board Chair
Alan Spoon, Advancement Committee Chair²

Vice President Joseph R. Biden, Jr., Mr. John Fahey, and Mr. David M. Rubenstein were unable to attend the meeting.

Also present were:

Albert Horvath, Acting Secretary	Judith Leonard, General Counsel
Patricia L. Bartlett, Chief of Staff to the Secretary	Evelyn S. Lieberman, Director of Communications and External Affairs
Julie Bindelglass, Writer-Editor for the Office of the Regents (recorder)	Christopher Liedel, President of Smithsonian Enterprises
Amy Chen, Chief Investment Officer	Kevin McDonald, Assistant to Senator Leahy
Melissa Chiu, Director of the Hirshhorn Museum and Sculpture Garden ³	Jeffrey P. Minear, Counselor to the Chief Justice
Virginia B. Clark, Director of Advancement and Philanthropic Giving	Sean Murphy, Assistant to Representative Cole
David Heil, Assistant to Representative Johnson	Rachel Parker, Deputy Chief of Staff to the Regents
Cathy Helm, Inspector General	Nell Payne, Director of Government Relations
John Kress, Interim Under Secretary for Science	Porter N. Wilkinson, Chief of Staff to the Regents
Richard Kurin, Under Secretary for History, Art, and Culture	Tonya Williams, Assistant to Vice President Biden
John K. Lapiana, Acting Under Secretary for Finance and Administration/Chief Financial Officer	

¹ The Chancellor, Chief Justice John G. Roberts, Jr., participated in the afternoon session.

² Mr. Spoon participated in the morning session.

³ Ms. Chiu participated in the luncheon presentation.

MORNING SESSION

EXECUTIVE SESSION

Spousal Travel The morning session of the Board of Regents' meeting began with an executive session. Ambassador Barbara Barrett led the Board's discussion of revisions to the Smithsonian's spousal travel policy.

Upon motion duly made and seconded, the Board approved changes to the policy on travel for the spouse of the Smithsonian Secretary.

See attached Action 2015.04.01 (Minutes of the Board of Regents, Appendix A).

REPORT OF THE BOARD AND EXECUTIVE COMMITTEE CHAIR

Board Chair John W. McCarter, Jr., called the open session to order at approximately 9:45 a.m.

Action Between Meetings Mr. McCarter reported that the Executive Committee approved, on behalf of the Board, the terms of a sponsorship agreement and a naming for the National Museum of American History.

Regent Emeritus Designation Upon motion duly made and seconded, the Board conferred the title of Regent Emeritus on Senator Cochran with deep gratitude for the outstanding services he has provided, and will continue to provide, to the Board of Regents and the Smithsonian Institution.

See attached Action 2015.04.02 (Minutes of the Board of Regents, Appendix A).

Minutes of the January 26, 2015, Board Meeting Upon motion duly made and seconded, the draft minutes of the January 26, 2015, meeting of the Board of Regents were approved without modification.

See attached Action 2015.04.03 (Minutes of the Board of Regents, Appendix A).

REPORT OF THE ACTING SECRETARY

Acting Secretary Albert Horvath updated the Board on the Smithsonian's buildings, budget, education initiatives, international programs, and consortia events. Mr. Horvath noted that in the past few months he had the opportunity to attend many meetings of Smithsonian advisory boards. He also reported that the National Museum of African Art presented "The Art of Science: Engaging African Americans in STEAM and Workforce Development Opportunities in the Energy Sector," an event featuring the National Museum of African Art Director Johnnetta Betsch Cole and Department of Energy Secretary Ernest Moniz. Mr. Horvath briefed the Board on the Smithsonian Immigration/Migration Initiative's multiyear series "What It Means to Be American" highlighting their first event, which featured former Supreme Court Justice Sandra Day

O'Connor and Girl Scouts USA Chief Executive Officer Anna Maria Chavez, and second event, which featured Eddie Van Halen.

Next, Mr. Horvath updated the Board on construction progress at the National Museum of African American History and Culture, the National Museum of American History, and the Arts and Industries Building. He also informed the Board that there have been no major changes in the budget since the last meeting and that revenue sources are performing at or above their projected performance.

He concluded his report by mentioning the opening of the Smithsonian Institution Traveling Exhibition Service's exhibit *Rebel, Jedi, Princes, Queen: Star Wars™ and the Power of Costume* and the Prince of Wales' visit to the Freer and Sackler Galleries.

CONVERSATION WITH THE UNDER SECRETARY FOR HISTORY, ART, AND CULTURE

Mr. McCarter invited Under Secretary for History, Art, and Culture Richard Kurin to discuss the Smithsonian's Cultural Crisis Recovery Initiative ("CCRI"). Dr. Kurin briefed the Board on the work of the Smithsonian in the aftermath of the earthquake in Haiti, the destruction of libraries in Mali, and New York following Hurricane Sandy.

Dr. Kurin presented a brief history of the CCRI, stating that it began informally following Hurricane Katrina when Smithsonian staff utilized their expertise and experience to assist with clean-up efforts. He discussed how the efforts became more formalized following the earthquake in Haiti where the Smithsonian worked with the State Department, United States Agency for International Development, and military to train and assist in cultural heritage preservation efforts. He also mentioned the Smithsonian responded to the request from groups working in Mali following the destruction of libraries by extremists. Dr. Kurin addressed the Smithsonian's efforts in the aftermath of Hurricane Sandy, providing first aid materials and preserving costumes from the Martha Graham Dance Company.

Dr. Kurin ended his presentation with a brief discussion of current efforts around the world. The Board then discussed with Dr. Kurin the next steps in formalizing CCRI.

REPORT OF THE INVESTMENT COMMITTEE

Steve Case, vice-chair of the Investment Committee, presented the report of the Committee. Mr. Case's report focused on investment results, strategy, and Committee membership.

Endowment Update

Mr. Case reported that the Endowment had assets of \$1.3 billion at the end of February 2015. The Endowment outperformed the policy benchmark with a one-year rate of return of 8 percent. Mr. Case noted that the Endowment growth was driven by an increase in the venture capital portfolio.

Mr. Case also reported that the Committee reviewed the Smithsonian's current investment strategies and Committee members were satisfied with the results. The Committee did not recommend any changes to the policies or guidelines.

REPORT OF THE AUDIT AND REVIEW COMMITTEE

Audit and Review Committee Chair Ambassador Barbara Barrett presented the report of the Committee.

IRS Audit Ambassador Barrett reported that the IRS is auditing the Smithsonian for fiscal year 2012 due to a material diversion of assets reported on the Form 990. The reported material diversion was the result of the theft of parking operation revenues at the Air and Space Museum's Udvar-Hazy Center.

Insurance Coverage Annual Review The Audit and Review Committee conducted its annual insurance coverage review. Ambassador Barrett informed the Board that the Committee reviewed both the scope of insurance coverage and the premiums paid. The Committee found that premiums have increased in two areas.

Integrated Risk Management Ambassador Barrett also reported that the Committee received an update on the Smithsonian's Integrated Risk Management initiative. The Audit and Review Committee will continue to monitor cyber-security and other risks to the Smithsonian.

Audit and Review Committee Dashboard Ambassador Barrett presented the Audit and Review Committee dashboard and explained that the dashboard will be used to streamline information and report on the progress toward key substantive and procedural goals.

REPORT OF THE GOVERNANCE AND NOMINATING COMMITTEE

Governance and Nominating Committee Chair Steve Case presented the report of the Committee.

Advisory Board Appointments Upon motion duly made and seconded, proposed appointments and reappointments to 11 Smithsonian advisory boards were approved en banc.

See attached Actions 2015.04.04-2015.04.15 (Minutes of the Board of Regents, Appendix A).

Investment Committee Appointment Upon motion duly made and seconded, the Board approved the proposed appointment of J. Tomlinson Hill to the Regents' Investment Committee to serve a term of eight years and requested that the Chancellor make the necessary appointment.

See attached Action 2015.04.16 (*Minutes of the Board of Regents, Appendix A*).

**Acquisition
Policy**

At the January 26, 2015, meeting of the Board, the Board agreed to revisit proposed changes to the *Smithsonian Institution Policy on Museum Acquisitions* at its April meeting. Acting Secretary Albert Horvath led the discussion about the revisions. The proposed revisions to the *Smithsonian Institution Policy on Museum Acquisitions* include adopting the November 17, 1970, threshold for application; providing more explicit standards and guidance for determining whether to acquire an object in the absence of a complete documented ownership history; and applying the policy to a more clearly defined scope of collections.

Upon motion duly made and seconded, the Board approved the proposed revisions updating the *Smithsonian Institution Policy on Museum Acquisitions*.

See attached Action 2015.04.17 (Minutes of the Board of Regents, Appendix A).

REPORT OF THE ADVANCEMENT COMMITTEE

Advancement Committee Chair Alan Spoon presented the report of the Committee.

Mr. Spoon reported that Smithsonian has raised nearly 77 percent of the Smithsonian Campaign goal. The Smithsonian is also on track to reach its annual fundraising goal with approximately 60 percent raised to-date toward the goal of raising \$200 million in fiscal year 2015. Mr. Spoon directed the Board's attention to the notable gifts and grants report included in the meeting materials.

REPORT OF THE SMITHSONIAN NATIONAL BOARD

Chair of the Smithsonian National Board Sakurako Fisher presented the report of the Smithsonian National Board ("SNB"). Ms. Fisher reported that SNB Members hosted leadership roundtables in Boston, Los Angeles, New York, Atlanta, and San Francisco. She also reported that the SNB would host its next meeting April 23-25, 2015, in Washington, D.C. The meeting will focus on the Smithsonian's interdisciplinary approach to its collections.

REPORT FROM THE OFFICE OF GOVERNMENT RELATIONS

Director of Government Relations Nell Payne presented the report from the Office of Government Relations. Ms. Payne reported that staff from the United States House of Representatives Committee on Appropriations and United States Senate Committee on Appropriations visited the Smithsonian Conservation Biology Institute in Front Royal and will soon be visiting the National Museum of African American History and Culture construction site. She also reported that the Office of Government Relations continues to brief Congressional members and staff on the Smithsonian's budget request.

TOUR OF THE NATIONAL MUSEUM OF AFRICAN AMERICAN HISTORY AND CULTURE

The Board toured the construction site of the National Museum of African American History and Culture.

LUNCHEON PRESENTATION

During lunch, Director of the Hirshhorn Museum and Sculpture Garden Melissa Chiu gave an informal presentation on her vision for the Museum.

AFTERNOON SESSION

The Chancellor called the afternoon session to order at approximately 1:30 p.m.

EXECUTIVE SESSION: LONDON

The Board held an executive session to discuss terms for the London project.

EXECUTIVE SESSION: "GATEKEEPER" SESSION

The Board also conducted an executive session with the Acting Secretary, the General Counsel, the Acting Under Secretary for Finance and Administration, and the Inspector General.

ADJOURNMENT

There being no further business to discuss, the meeting adjourned at 2:34 p.m.

Respectfully submitted,

Albert Horvath
Acting Secretary

APPENDIX A: ACTIONS OF THE APRIL 13, 2015, MEETING OF THE BOARD OF REGENTS

VOTED that the Board of Regents approves an addition to the policy on travel of the spouse of the Secretary of the Smithsonian to include periodic review at the Board or Board committee level to determine whether the spousal travel and any related compensation is reasonable and consistent with applicable tax laws. The determination by the Board should be documented in minutes of the proceedings where it is considered and can be based on review of an external reviewer. Where it is determined through an established process that it is in the Smithsonian's interest for the Secretary's spouse to accompany the Secretary on travel that does not necessarily meet the strict business purpose test for IRS purposes, the Smithsonian will cover that expense and treat in accordance with the tax laws. [2015.04.01]

VOTED that the Board of Regents confers the title of Regent Emeritus on Senator Thad Cochran with deep gratitude for the outstanding service he has provided, and will continue to provide, to the Board of Regents and the Smithsonian Institution. [2015.04.02]

VOTED that the Board of Regents approves the minutes of the January 26, 2015, meeting of the Board of Regents. [2015.04.03]

VOTED that the Board of Regents appoints Trevor Fetter, Cathey McClain Finlon, William Galloway, Paul Koontz, Jacqueline Mars, G. Jeffrey Records, Jr., John C. Ryan, and Deborah Santana to the Smithsonian National Board for three-year terms each, effective October 1, 2015. [2015.04.04]

VOTED that the Board of Regents appoints G. Wayne Clough as an honorary member of the Smithsonian National Board, effective immediately. [2015.04.05]

VOTED that the Board of Regents reappoints Ann E. Berman to the Board of Trustees of the Archives of American Art for a three-year term, effective May 1, 2015. [2015.04.06]

VOTED that the Board of Regents appoints HyeSook Chung to the Advisory Board of the Anacostia Community Museum for a three-year term, effective immediately. [2015.04.07]

VOTED that the Board of Regents appoints Scott C. Donnelly to the Board of the National Air and Space Museum for a three-year term, effective immediately. [2015.04.08]

VOTED that the Board of Regents appoints Rowland O. Abiodun and J. Peter Pham to the Advisory Board of the National Museum of African Art for three-year terms each, effective immediately. [2015.04.09]

VOTED that the Board of Regents reappoints Paula Kerger, John Sall, Marshall Turner, and Whitney MacMillan to the Advisory Board of the National Museum of Natural History for three-year terms each, effective immediately. [2015.04.10]

VOTED that the Board of Regents appoints Elliott Ferguson and David Leavy to the Advisory Board of the National Zoo for three-year terms each, effective immediately. [2015.04.11]

VOTED that the Board of Regents reappoints Howard Stevenson to the Advisory Board of the Smithsonian Astrophysical Observatory for a three-year term, effective immediately. [2015.04.12]

VOTED that the Board of Regents appoints Eva J. Pell to the Advisory Board of the Smithsonian Libraries for a three-year term, effective immediately. [2015.04.13]

VOTED that the Board of Regents reappoints Robert M. Chell and Carol S. Feinberg to the National Advisory Board of the Smithsonian Science Education Center for three-year terms each, effective May 1, 2015. [2015.04.14]

VOTED that the Board of Regents reappoints Murray Hallam to the Smithsonian UK Charitable Trust for a three-year term, effective immediately. [2015.04.15]

VOTED that the Board of Regents approves the proposed appointment of J. Tomlinson Hill to the Regents' Investment Committee to serve a term of eight years and requests that the Chancellor make the necessary appointment. [2015.04.16]

VOTED that the Board of Regents approves the proposed revisions to the Smithsonian Institution Policy on Museum Acquisitions. [2014.04.17]